

# **COMMISSIONERS OF THE LAND OFFICE**

## **Regular Investment Meeting Minutes January 11, 2023, at 2:00 p.m. Large Conference Room Commissioners of the Land Office–Ninth Floor Oklahoma City, Oklahoma**

Notice was posted online with the Secretary of State on December 5, 2022. Public notice was also posted at the Commissioners of the Land Office on Monday January 9, 2023, by 11:00 am.

### **Investment Committee Members:**

Mathangi Shankar, Investment Committee Member  
Bob Mareburger, Investment Committee Member  
Billy Swindell, Investment Committee Member

### **CLO Staff Present:**

Dan Whitmarsh, Acting Secretary  
Bennett Abbott, General Counsel  
Karen Johnson, Chief Financial Officer  
John Fischer, Senior Director of CRE and Direct Investments  
David White, Director of Communications  
Mike Lyons, Assistant Director of Financial Services  
Andrea Bair, Assistant General Council  
Emma Thomas, Financial Manager  
Alva Brockus, Commercial Real Estate Marketing Manager  
Matt Clarkson, Financial Reporting Accountant  
Amy Heath, Commercial Real Estate Accountant  
Edward Romero, Investment Accountant  
Marla Cook, Administrative Programs Officer

### **Visitors Present:**

Evan Walter, BOK  
Robert Kindt, BOK  
Lonnie Molskness, BOK  
Jason Samansky, RVK  
Kyle Hagmeier, RVK

Karen Johnson called the meeting to order at 2:12 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Mathangi Shankar: Present  
Billy Swindell: Present  
Bob Mareburger: Present

**1. Request Approval of Minutes for Regular Meeting held November 29, 2022**

*Recommendation: CFO recommends approval of the minutes for the November 29, 2022, meeting.*

- a. Presented by Karen Johnson, CFO*
- b. Discussion*
- c. Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action.*

Mathangi Shankar made a motion to approve the minutes from the November 29, 2022, meeting. Bob Mareburger seconded the motion.

Shankar: Aye  
Swindell: Aye  
Mareburger: Aye Motion Carried

**2. Presentation of Performance Review by RVK (informational purposes only)**

*Presented by Jason Samansky and Kyle Hagmeier, RVK*

As December 31, 2022, the total value of the CLO Permanent Trust was approximately \$2.46 billion.

**3. Update and Discussion regarding the Cohen and Steers Global Listed Infrastructure LP Investment (informational purposes only)**

*Presented by Jason Samansky and Kyle Hagmeier, RVK*

The purpose of the discussion was to communicate the structure of the investment in the Cohen & Steers Global Listed Infrastructure Fund (GLIF) approved by the Commissioners in February 2022 and to address any concerns Investment Committee members may have.

During the external financial statement audit, it was brought to the attention of the Financial Services Department (FSD) that the Cohen & Steers GLIF investment should be classified as a level 3 investment rather than a level 2 investment as reported by the agency. The misclassification could have resulted in a reportable

internal control finding. The external auditors' reasoning for proposing the level 3 classification was the investment vehicle was a limited partnership comprised of only the CLO and Cohen & Steers. This seemed inconsistent with what FSD had understood to be the structure of the GLIF investment.

In order to determine the underlying cause of this apparent discrepancy, FSD initiated inquiries to the CLO's Cohen & Steers contact and to the agency's investment consultant, RVK. Both indicated that a primary factor to the LP structure was to allow the CLO to invest in a fund it would statutorily not be allowed to invest in otherwise. Another benefit of the LP investment vehicle is lower management costs.

Upon Cohen & Steers providing the external auditors with a listing of underlying assets to the GLIF, the external auditors were satisfied with the classification of a level 2 investment. A control deficiency regarding communication was noted by the auditors.

### Consideration and Possible Action to Appraise Investment Real Estate for Sale or Exchange

Lease No.	Legal Description
909436 Oklahoma County	<p>TRACT 1: UNPLATTED LANDS</p> <p>A tract of land lying in the E/2 of Section 10, Township 12 N, Range 3 WIM, City of Oklahoma City, Oklahoma County, Oklahoma, and being more particularly described as follows:</p> <p>COMMENCING at the southwest corner of said East Half of Section 10; THENCE South 89°55'41" East, along the south line of said Section 10, a distance of 165.60 feet to a point on the easterly right-of-way line of Lincoln Boulevard and the POINT OF BEGINNING;</p> <p>THENCE North 00°02'23" East, along said easterly right-of-way line, a distance of 476.10 feet;</p> <p>THENCE North 03°40'14" East, along said easterly right-of-way line, a distance of 284.24 feet;</p> <p>THENCE Easterly, Northerly and Westerly with the southerly, easterly, and northerly lines of the tract of land described in the JOINT TENANCY WARRANTY DEED recorded in Book 8204, Page 1101, the following six (6) courses:</p> <ol style="list-style-type: none"> <li>1. South 87°15'27" East a distance of 330.92 feet,</li> <li>2. South 75°21'58" East a distance of 115.38 feet,</li> <li>3. Northeasterly along a non-tangent curve to the right having a radius of 270.79 feet (said curve subtended by a chord which bears North 39°22'51" East a distance of 65.08 feet) for an arc distance of 65.24 feet,</li> <li>4. North 62°02'04" West a distance of 163.95 feet,</li> <li>5. North 07°16'02" West a distance of 155.51 feet,</li> <li>6. North 87°15'27" West a distance of 344.94 feet to a point on the easterly right-of-way line for Lincoln Boulevard;</li> </ol> <p>THENCE Northerly, along said easterly right-of-way line for Lincoln Boulevard, the following three (3) courses:</p> <ol style="list-style-type: none"> <li>1. Northerly along a non-tangent curve to the left having a radius of 3,924.70 feet (said curve subtended by a chord which bears North 08°16'28" West a distance of 76.84 feet) for an arc distance of 76.84 feet,</li> <li>2. North 13°37'42" West a distance of 182.80 feet,</li> <li>3. North 08°55'14" West a distance of 596.93 feet to the intersection of said easterly right-of-way line of Lincoln Boulevard and the southeasterly right-of-way line of Interstate Highway 44;</li> </ol> <p>THENCE Northeasterly, along said southeasterly right-of-way line, the following eight (8) courses:</p> <ol style="list-style-type: none"> <li>1. Northeasterly along a non-tangent curve to the left having a radius of 553.87 feet (said</li> </ol>

	<p>curve subtended by a chord which bears North 23°23'42" East a distance of 106.53 feet) for an arc distance of 106.71 feet,</p> <ol style="list-style-type: none"> <li>2. North 58°43'13" East a distance of 61.81 feet,</li> <li>3. North 44°11'26" East a distance of 454.95 feet,</li> <li>4. North 29°05'12" East a distance of 637.53 feet,</li> <li>5. North 68°22'33" East a distance of 444.56 feet,</li> <li>6. South 65°05'36" East a distance of 93.42 feet,</li> <li>7. South 45°12'11" East a distance of 95.44 feet,</li> <li>8. South 40°17'05" East a distance of 128.87 feet;</li> </ol> <p>THENCE North 87°45'17" East a distance of 135.00 feet;  THENCE North 22°25'48" East a distance of 175.00 feet;  THENCE North 55°25'48" East a distance of 250.00 feet;  THENCE South 53°04'12" East a distance of 385.00 feet;  THENCE South 69°34'12" East a distance of 215.00 feet;  THENCE North 87°10'48" East a distance of 100.00 feet;  THENCE North 23°25'48" East a distance of 360.00 feet;  THENCE North 01°55'48" East a distance of 135.00 feet;  THENCE North 89°55'58" East a distance of 100.00 feet to a point on the east line of said Section 10;  THENCE South 00°04'12" East, along said east line of Section 10, a distance of 1,633.06 feet to the northeast corner of the plat of BURR OAKS ADDITION, an addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the plat thereof recorded in Book 33 of Plats, Page 51, Oklahoma County records;  THENCE Southwesterly, along the northwesterly lines of said plat of BURR OAKS ADDITION, the following seven courses:</p> <ol style="list-style-type: none"> <li>1. South 71°33'18" West a distance of 156.65 feet,</li> <li>2. South 21°42'08" West a distance of 286.75 feet,</li> <li>3. South 34°56'17" West a distance of 172.19 feet,</li> <li>4. South 40°55'48" West a distance of 340.00 feet,</li> <li>5. South 52°37'48" West a distance of 550.00 feet,</li> <li>6. South 41°02'48" West a distance of 280.00 feet,</li> <li>7. South 27°04'03" West a distance of 460.83 feet to the southwest corner of said plat, said point being on the south line of said Section 10;</li> </ol> <p>THENCE North 89°55'41" West, along said south line of Section 10, a distance of 1,077.17 feet to the POINT OF BEGINNING.</p> <p>TRACT 2: PLATTED LANDS</p> <p>Lot One (1), Block One (1), BURR OAKS ADDITION, an addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to the plat thereof recorded in Book 33 of Plats, Page 51, Oklahoma County records.</p>
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The Commercial Real Estate Division of the Commissioners of the Land Office would like to offer for sale or exchange the above referenced parcel and is requesting an appraisal to establish a value for possible sale or exchange.

The property will be appraised by three Oklahoma Certified General Appraisers and will be appraised in two Tracts as defined in the legal description. The 2 Tracts may be offered for sale or exchange separately or together.

*Recommendation: Senior Director of Commercial Real Estate Management and Direct Investments requests the Investment Committee recommend to the Commissioners authorization to offer for sale or exchange this investment real estate as two separate tracts and that permission to appraise said investment real estate for sale or exchange be given.*

- a. *Presented by John Fischer, Senior Director of Commercial Real Estate Management and Direct Investments*
- b. *Discussion*
- c. *Committee action in which the Board may recommend approval, recommend disapproval, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to approve the authorization to offer for sale or exchange this investment real estate as two separate tracts and that permission to appraise investment real estate for sale or exchange. Mathangi Shankar seconded the motion.

Mareburger: Aye  
 Swindell: Aye  
 Shankar: Aye Motion Carried

#### 4. **Consideration and Possible Action to Appraise Investment Real Estate for Sale or Exchange**

Lease No.	Legal Description
909438 Oklahoma County	Lots 43 through 47, both inclusive, and the west 3 feet of Lot 48, LESS AND EXCEPT a 20 foot by 20-foot tract in the northwest corner of Lot 45, in Block 8 of IRVINGTON, an Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the plat recorded in Book 7 of Plats, Page 67.

The Commercial Real Estate Division of the Commissioners of the Land Office would like to offer for sale or exchange the above referenced parcel and is requesting an appraisal to establish a value for possible sale or exchange.

The property will be appraised by three Oklahoma Certified General Appraisers.

*Recommendation: Senior Director of Commercial Real Estate Management and Direct Investments requests the Investment Committee recommends to the Commission authorization to offer for sale or exchange this investment real estate and that permission to appraise said investment real estate for sale or exchange be given.*

- a. *Presented by John Fischer, Senior Director of Commercial Real Estate Management and Direct Investments*
- b. *Discussion*
- c. *Committee action in which the Committee may recommend approval, disapproval, or table the matter and/or direct staff to take further action.*

Mathangi made a motion to approve the recommendation to authorization to offer for sale or exchange this investment real estate and that permission to appraise said investment real estate for sale or exchange. Billy Swindell seconded the motion.

Shankar: Aye  
Mareburger: Aye  
Swindell: Aye Motion Carried

**5. Consideration and Possible Action for Approval of Capital Budget Revisions for Management of Commercial Investment Property**

Based on the estimated cost for replacement of a failing cooling unit for the server room for the fourth floor of the City Place Building (204 N. Robinson, Oklahoma City) which was not anticipated when establishing capital expense (CAPEX) budgets for the current fiscal year, the Commercial Real Estate Division presents the following proposed revision to the capital budget for the following commercial investment property for FY 2023 for approval.

<u>Building Address</u>	<u>Approved CAPEX</u>	<u>Revision</u>	<u>New Cap Budget</u>
204 N. Robinson, Oklahoma City (Floors 4, 8, 9 & 10)	\$ 10,000.00	\$ 40,000.00	\$ 50,000.00

*Recommendation: Senior Director of Commercial Real Estate Management and Direct Investments requests the Investment Committee recommends to the Commission approval of the revision to the capital budget for FY 2023 for the listed commercial investment property.*

- a. Presented by John Fischer, Senior Director of Commercial Real Estate Management and Direct Investments*
- b. Discussion*
- c. Committee action in which the Committee may recommend approval, disapproval, or table the matter and/or direct staff to take further action.*

*Committee action in which the Committee may approve, disapprove, or table the matter and/or direct staff to take further action.*

Bob Mareburger made a motion to recommendation approval the revision to the capital budget for FY 2023 for the listed commercial investment property. Mathangi Shankar seconded the motion.

Mareburger: Aye  
Swindell: Aye  
Shankar: Aye Motion Carried

## **6. New Business**

No discussion

## **7. Adjourn**

A MOTION was made by Mathangi Shankar and seconded by Billy Swindell to adjourn the meeting.

Shankar:	Aye	
Mareburger:	Aye	
Swindell:	Aye	Motion Carried

The meeting was adjourned at 3:09 p.m.